

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Telecommunications Carriers Eligible for)	WC Docket No. 09-197
Universal Service Support)	
)	
Connect America Fund)	WC Docket No. 10-90
_____)	

COMMENTS OF THE ALASKA RURAL COALITION

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I. Introduction.

The Alaska Rural Coalition¹ (“ARC”) files its Comments in this proceeding pursuant to the Second Further Notice of Proposed Rulemaking released by the FCC (the “Commission”) on June 22, 2015 seeking comment on methods to improve the administration and ensure efficiency and accountability of the Lifeline program.² While the ARC is generally supportive of the Commission’s efforts to streamline the ETC process, the ARC is concerned that the Commission’s proposals regarding tribal lands will have a disproportionately large effect on Alaskans. The ARC is also supportive of efforts by the Commission to expand broadband to Lifeline consumers as long as there is adequate funding provided to carriers.

The ARC membership consists of most of the rate of return incumbent rural local exchange carriers (“RLECs”) in Alaska, all of whom serve some of the highest cost areas of the nation.³ ARC members are generally small, rural telephone companies and cooperatives that

¹ The ARC is composed of Adak Telephone Utility, Alaska Telephone Company, Arctic Slope Telephone Association Cooperative, Inc., Bettles Telephone, Inc., Bristol Bay Telephone Cooperative, Inc., Bush-Tell, Inc., Circle Telephone & Electric, LLC, City of Ketchikan dba Ketchikan Public Utilities, Copper Valley Telephone Cooperative, Cordova Telephone Cooperative, Inc., Interior Telephone Company, Inc., Matanuska Telephone Association, Inc., Mukluk Telephone Company, Inc., North Country Telephone Inc., Nushagak Electric and Telephone Company, Inc., OTZ Telephone Cooperative, Inc., and The Summit Telephone and Telegraph Company, Inc.

² *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket Nos. 11-42, 09-197, 10-90, Second Further Notice of Proposed Rulemaking, Order on Reconsideration, Second Report and Order, and Memorandum Opinion and Order, FCC 15-71 (rel. June 22, 2015) (“*Lifeline NPRM*”).

³ See *Connect America Fund*, WC Docket No. 10-90, Comments of the Alaska Rural Coalition, before the FCC (Dec. 22, 2014) at 2 (“The assumptions that apply to the Lower 48 cannot be easily or fairly applied to Alaska. The Commission must be cautious or it will impose requirements that will overwhelm carriers attempting to provide broadband in the most challenging environment and foreclose the expansion of quality, robust service.”); see also Letter from T.W. Patch, Chairman, Regulatory Commission of Alaska to Marlene H. Dortch, Secretary, Federal Communications Commission, *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.* (Filed Feb. 4, 2013) (“Our discussion touched on how Alaska’s lack of roads and electric grids as well as other factors such as extensive reliance on satellite make application of national models to Alaska’s service providers inappropriate. We also discussed how regulatory uncertainty is hampering Alaska’s carriers’ ability to invest and borrow the funds needed to move towards universal broadband.”).

serve tribal lands and endeavor to bring the highest quality of service possible to Alaskans.⁴ ARC members have regularly informed the Commission that they cannot continue to face increased regulatory burdens,⁵ so the ARC welcomes changes to the Lifeline program and ETC designations that will potentially alleviate some of that burden.

Lifeline serves a vital role in Alaska.⁶ Many Alaskans are very low income, and Alaska's various Native tribes rely on Lifeline in order to have access to telephone service.⁷ Due to the rugged terrain and climate, many Alaskans live in tiny, subsistence communities.⁸ The Native population living in more urban areas continues to struggle with abject poverty and high

⁴ See Auction 902 Tribal Mobility Fund Phase I, AU Docket No. 13-53, Comments of the Alaska Rural Coalition, before the FCC (May 10, 2013) at 4 (“*ARC Tribal Mobility Comments*”) (“The Commission has recognized that ‘infrastructure generally is less developed on Tribal lands, particularly in Alaska.’ The cost of deploying mobile services in these areas of Alaska will be considerably greater because providers in the state face significantly higher costs for both ongoing operations and construction than do providers in the rest of the nation.”).

⁵ See *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Comments of Alaska Rural Coalition, before the FCC (Jan. 18, 2012) (“*ARC USF Comments*”) at 16 (“It defies public policy to impose additional administrative obligations to retain necessary support at the same time the Commission is decreasing critical support of operations expenses. The burden on small, rural companies is already difficult to manage. There is simply no margin or budget for more paperwork.”).

⁶ See, e.g., *In the Matter of the 2015 Eligible Telecommunications Carrier Report Filed by OTZ Telecommunications, LLC*, Docket No. U-15-048, OTZ Telecommunications, LLC’s Annual Filing in Compliance with 3 AAC 53.460, before the Regulatory Commission of Alaska (Mar. 31, 2015) at Exhibit D (“OTZT’s cell service out of the village of Selawik likely saved a life, possibly three, this winter.”).

⁷ See *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, FCC 00-208 (rel. June 30, 2000) at para. 5 (“We adopt measures at this time to promote telecommunications deployment and subscribership for the benefit of those living on federally-recognized American Indian and Alaska Native tribal lands, based on the fact that American Indian and Alaska Native communities, on average, have the lowest reported telephone subscribership levels in the country.”).

⁸ See *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Comments of the Alaska Rural Coalition, before the FCC (Aug. 8, 2014) (“*ARC CAF Comments*”) at 30 (“Wireless service brings substantial improvements in the quality of life for all residents, including Native Alaskans many of whom maintain a subsistence lifestyle.”).

unemployment. These factors lead to increased Lifeline use in Alaska than in parts the Lower 48.⁹

II. Minimum Service Standards Should Not Risk Essential Services.

As part of the Commission's efforts to further the goals of the Lifeline program, the Commission proposes to establish minimum service standards for voice and broadband Lifeline service.¹⁰ The ARC continues to fully support the goals of the Lifeline program. However, the ARC is concerned that the Commission is proposing national changes without considering the effects those changes will have on small, rural carriers. The ARC is especially concerned with proposals that increase the required service offerings without any adjustment to the Lifeline program.

A. Establishing a Minimum Voice Standard Of Unlimited Voice and Data Is Inconsistent With the Available Discount.

The Commission seeks comment on whether to establish minimum voice standards to ensure Lifeline customers receive reasonably comparable service.¹¹ The Commission asks whether mobile carriers should be required to offer unlimited talk and text to Lifeline customers.¹² The Commission points to the growing diversity of voice and text plans available in

⁹ See Universal Service Administrative Company, Number of Lifeline Program Subscribers by State, available at <http://www.usac.org/res/documents/about/pdf/quarterly-stats/LI/Number-of-Lifeline-Program-Subscribers-by-State.pdf>.

¹⁰ *Lifeline NPRM* at para. 15 (“In an effort to further these goals and extract the most value possible from the Lifeline subsidy, we propose to establish minimum service levels for all Lifeline service offerings to ensure the availability of robust services for low-income consumers.”).

¹¹ *Lifeline NPRM* at para. 16.

¹² *Lifeline NPRM* at para. 39 (“Since the cost of providing service has declined drastically, should we require mobile providers to offer unlimited talk and text to Lifeline consumers to maximize the benefit of the Lifeline subsidy?”).

contrast to the largely unchanging Lifeline plan of 250 minutes.¹³ The ARC concurs with the Commission that “voice communications remain essential to daily living.”¹⁴ However, there is no data in the record to suggest a specific demand by Lifeline customers for more than 250 minutes. Many states, including Alaska, have adopted other minimums. Alaska regulations require a minimum Lifeline offering of 500 minutes.¹⁵

The Commission seeks comment on alternatives to requiring unlimited voice and text.¹⁶ The ARC respectfully suggests that the Commission should consider a higher level of support to correspond to a higher level of service. The suggestion that Lifeline offerings should include unlimited voice and data ignores the reality of providing cellular service in high-cost areas. The current support level of \$9.25 is inadequate to provide an unlimited voice and data package. Even on Tribal lands where the cost recovery is \$34.25, it would cost carriers a substantial sum to provide unlimited packages. If the Lifeline discount doesn’t keep up with the cost it may become a substantial financial burden on consumers who cannot afford to make up the difference. Some consumers may have no choice but to cease participating in the program.

Alaska is in a period of transition with its broadband infrastructure and is trying to catch up to the Lower 48.¹⁷ A blanket requirement would potentially require services that are not yet

¹³ *Lifeline NPRM* at para. 16 (“It has been over three years since the *Lifeline Reform Order*, and the standard Lifeline market offering for prepaid wireless service has remained largely unchanged at 250 minutes at no cost to the recipient.”).

¹⁴ *Lifeline NPRM* at para. 16.

¹⁵ See 3 AAC 53.410(a)(15)(A).

¹⁶ *Lifeline NPRM* at para. 39 (“Since the cost of providing voice service has declined drastically, should we require mobile providers to offer unlimited talk and text to Lifeline consumers to maximize the benefit of the Lifeline subsidy? What other approaches should we consider?”).

¹⁷ See, e.g., Alcatel Lucent, *Alcatel-Lucent and Quintillion Subsea Holdings to build undersea cable system connecting six communities along the North Slope of Alaska* (July 28, 2015), available at <https://www.alcatel-lucent.com/press/2015/alcatel-lucent-and-quintillion-subsea-holdings-build-undersea-cable-system-connecting-six>.

available or affordable for rural carriers. The ARC urges the Commission to consider limiting any requirement to provide unlimited voice and data to areas and carriers where the carrier is financially and technically capable of providing the service at the required price point, and only upon a reasonable request by the consumer.¹⁸

The Lifeline program incorporates the Commission's principles regarding the advancement of universal telephone service to all Americans.¹⁹ The Commission previously noted "these principles state that consumers in all regions of the Nation, including low-income consumers, should have access to telecommunications and information services that are reasonably comparable to those services provided in urban areas..."²⁰ The principles also note that ensuring rates remain affordable is a national priority.²¹ The ARC admires the Commission's intention of improving the service available to Lifeline customers. However, to improve the availability of services, the ARC urges the Commission to investigate other methods or increase the available funding for more robust Lifeline service offerings. The Commission's proposal to require unlimited voice and data could cause a significant cost to be borne by the consumer

¹⁸ The reasonable request standard was discussed in the 2011 *Transformation Order*. See *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) ("*Transformation Order*") at para. 208 ("Upon receipt of a reasonable request for service, carriers must deploy broadband to the requesting customer within a reasonable amount of time.").

¹⁹ See *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline Reform Order*") at para. 25 ("We adopt the following performance goals for both voice and broadband, as well as associated measurements, reflecting our ongoing commitment to preserve and advance universal service: (1) ensure the availability of voice service for low-income Americans; (2) ensure the availability of broadband service for low income Americans; and (3) minimize the contribution burden on consumers and businesses.").

²⁰ *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, FCC 04-87 (rel. Apr. 29, 2004) ("*2004 Lifeline NPRM*") at para. 3; 47 U.S.C. § 254(b).

²¹ *2004 Lifeline NPRM* at para. 3 ("These principles also recognize that ensuring rates are affordable is a national priority.").

which would circumvent the Commission's intent and the long-term public interest upon which Lifeline is based.²²

B. Minimum Broadband Standards May Impose An Unreasonable Burden.

The Commission suggests that there should be an appropriate benchmark for fixed broadband if it is to be considered a Lifeline-eligible service.²³ The Commission seeks comment on whether it should define a broadband benchmark based upon offerings that are typically found in “urban areas.”²⁴ The ARC appreciates the Commission's desire to establish a benchmark, but urges caution in setting such a benchmark. The Commission established a benchmark for broadband speed for the high-cost support program of 10 Mbps/1 Mbps.²⁵ The ARC continues to be concerned that adequate protections need to be incorporated into any benchmark.²⁶ Many rural and remote areas, especially Tribal lands, currently lack access to affordable broadband

²² The only state that currently has any provider offering unlimited talk and text Lifeline packages is California. Lynn Walford, *Free Cell Phones & Unlimited Minutes/Text for California CA Low-Income Households*, Wireless and Mobile News (Sep. 3, 2014), available at <http://www.wirelessandmobilenews.com/2014/09/free-cell-phones-unlimited-minutetexts-for-california-ca-low-income-households.html>. California has an additional state Lifeline subsidy available to carriers, which is possibly the reason they are able to provide unlimited talk and text. California Public Utilities Commission, *California Lifeline Program*, available at <http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/ultra.htm>.

²³ *Lifeline NPRM* at para. 43.

²⁴ *Lifeline NPRM* at para. 43.

²⁵ See *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order, FCC 14-190 (rel. Dec. 18, 2014) at para. 15 (“In this section, we adopt a new minimum speed standard of 10 Mbps downstream and 1 Mbps upstream (10/1Mbps) to further the statutory goal in section 254 of ensuring that consumers in rural and high-cost areas of the country have access to advanced telecommunications and information services that are reasonably comparable to those services in urban areas, at reasonably comparable rates.”).

²⁶ See *Connect America Fund*, WC Docket No. 10-90, Comments of the Alaska Rural Coalition, before the FCC (Dec. 22, 2014) (“*ARC Speed & Latency Comments*”) at 1 (“The ARC remains gravely concerned about the implications of onerous speed and latency benchmarks on small, rural Rate of Return carriers.”).

infrastructure, and imposing an urban standard sets an unreasonable expectation,²⁷ although significant deployment of infrastructure is underway.²⁸ A more reasonable benchmark would be either the lowest service offering that complies with the high-cost broadband benchmark, or the high-cost broadband benchmark itself. Using a more achievable benchmark in conjunction with the reasonable request standard will allow small, rural carriers the flexibility they require to continue expanding networks.²⁹

The Commission also seeks comment on what the appropriate minimum levels of service should be on Tribal lands.³⁰ Tribal lands tend to lack robust broadband infrastructure even compared to comparable rural areas.³¹ The ARC urges the Commission to set broadband benchmarks for Tribal lands that are consistent with other low-income areas. The Commission notes that because customers on Tribal lands receive additional support, the Commission expects “more robust service will be offered” to those consumers.³² The Commission’s assumption that Lifeline broadband on Tribal lands should be more robust ignores the fundamental reality that Tribal lands lack infrastructure and resources for robust broadband.³³ The ARC urges caution in establishing requirements that may ultimately undermine the Lifeline program objectives.

²⁷ *ARC Tribal Mobility Comments* at 4 (“The Commission has recognized that ‘infrastructure generally is less developed on Tribal lands, particularly in Alaska.’”).

²⁸ See Alcatel Lucent, *Alcatel-Lucent and Quintillion Subsea Holdings to build undersea cable system connecting six communities along the North Slope of Alaska* (July 28, 2015), available at <https://www.alcatel-lucent.com/press/2015/alcatel-lucent-and-quintillion-subsea-holdings-build-undersea-cable-system-connecting-six>.

²⁹ *Transformation Order* at para. 208 (“Upon receipt of a reasonable request for service, carriers must deploy broadband to the requesting customer within a reasonable amount of time.”).

³⁰ *Lifeline NPRM* at para. 47.

³¹ *ARC Tribal Mobility Comments* at 4 (“The Commission has recognized that ‘infrastructure generally is less developed on Tribal lands, particularly in Alaska.’”).

³² *Lifeline NPRM* at para. 47.

³³ See Federal Communications Commission, *FCC Finds U.S. Broadband Deployment Not Keeping Pace*, News Release (Jan. 29, 2015), available at

C. The Commission Should Not Require both Voice and Broadband.

The Commission proposes to establish the permanent Lifeline support amount at \$9.25.³⁴

The Commission asks whether the support amount of \$9.25 is inadequate to cover broadband service and whether an end-user charge would be necessary.³⁵ The ARC supports a permanent Lifeline support amount of \$9.25 for voice service on non-tribal lands. However, the ARC believes that a Lifeline support level of \$9.25 will be wholly inadequate to provide broadband to Lifeline customers. Even the higher Tribal land support amount is inadequate to cover the cost of broadband, where it is available.³⁶ Consumers will be required to make up the difference between the support and the Lifeline broadband support through end-user charges. Consumers may be in a position of accumulating substantial debt.

The Commission also seeks comment on whether the \$9.25 benchmark should be reduced for Lifeline supported mobile voice-only service.³⁷ There is no evidence cited in the record that the cost of provisioning mobile voice has drastically decreased. The ARC believes

https://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0129/DOC-331760A1.pdf (“Over half of all rural Americans lack access to 25 Mbps/3Mbps service. The divide is still greater on Tribal lands and in U.S. territories, where nearly 2/3 of residents lack access to today’s speeds.”).

³⁴ *Lifeline NPRM* at para. 52 (“We propose to retain the current, interim non-Tribal Lifeline support amount that the commission adopted in the *Lifeline Reform Order*...”).

³⁵ *Lifeline NPRM* at para. 52.

³⁶ *ARC CAF Comments* at 25-26 (“Alaska carriers have demonstrated the high cost of deploying wireless in Remote Alaska. The Commission recognized the increased cost of serving tribal lands, including: (1) The lack of basic infrastructure in many tribal communities; (2) a high concentration of low-income individuals with few business subscribers; (3) cultural and language barriers where carriers serving a tribal community may lack familiarity with the Native language and customs of that community; (4) the process of obtaining access to rights-of-way on tribal lands where tribal authorities control such access; and (5) jurisdictional issues that may arise where there are questions concerning whether a state may assert jurisdiction over the provision of telecommunications services on tribal lands.”).

³⁷ *Lifeline NPRM* at para. 53.

that is likely true in some markets, but the decrease in cost is much less pronounced in high cost areas. At the same time, the available support in high cost areas has also decreased.³⁸

The Commission asks whether it should condition Lifeline support for voice support on a provider's offering of Broadband Internet access service.³⁹ The ARC urges the Commission to not condition Lifeline support on a Broadband Internet access service offer. There are too many locations in rural and remote America that lack a Broadband Internet access service.⁴⁰ To condition Lifeline support on the availability of a Broadband Internet access service would potentially deprive low income customers of a critical voice service.

Lifeline support to low-income Americans should not risk essential voice service by transitioning focus and priority to broadband service. The Commission suggests it could use the *Transformation Order* as a template for prioritizing broadband over voice,⁴¹ but the ARC believes this may be a significant error based on the distinct differences between the Lifeline program and the High-Cost program. The *Transformation Order* focused on providing support to networks.⁴² Lifeline focuses on the support needed by low-income American families.⁴³

³⁸ See, e.g., Letter from Shannon M. Heim to Marlene H. Dortch, Secretary, Federal Communications Commission, *Connect America Fund*, WC Docket No. 10-90 (Sep. 3, 2014) (showing annual loss of USF support for OTZ Telecommunications).

³⁹ *Lifeline NPRM* at para. 62.

⁴⁰ See, generally, National Broadband Map, available at <http://www.broadbandmap.gov/>.

⁴¹ *Lifeline NPRM* at para. 62 (“Could we provide the support for broadband-capable networks, similar to what the Commission did in the *USF/ICC Transformation Order*? For example, could we use a similar analysis to conclude that providing Lifeline support to facilities-based Lifeline providers encourages the deployment of broadband-capable networks, as does stimulating the demand for wholesale broadband services by providing Lifeline support to non-facilities-based Lifeline providers?”).

⁴² *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“*Transformation Order*”) at para. 17 (“We begin by adopting support for broadband-capable networks as an express universal service principle under section 254(b) of the Communications Act, and, for the first time, we set specific performance goals for the high-cost component of the USF that we are reforming today, to ensure these reforms are achieving their intended purposes.”).

The Commission should retain exemptions for networks not capable of providing broadband at 10/1 speed. In Alaska, there are many areas that 10/1 broadband is not yet possible during the current period of infrastructure investment and development.⁴⁴ The Commission established a reasonable request standard in the *Transformation Order* to address this scenario.⁴⁵ The ARC believes a similar approach would address the situation where affordable broadband is still being developed and deployed. It is critical that the Commission not require services that are not possible or practicable for carriers.

III. Rural Carriers Must be Protected When Establishing Third-Party Entities to Modernize Lifeline.

A. Transferring Responsibility to Verify Customers from the Lifeline Provider.

The Commission proposes to remove the responsibility of determining customer eligibility from the Lifeline provider.⁴⁶ The Commission specifically asks whether it should establish a national Lifeline eligibility verifier.⁴⁷ The Commission also proposes that if a national verifier is established, Lifeline providers should be responsible for reimbursing some or all of the costs associated with the national verifier.⁴⁸ The ARC is generally supportive of establishing a

⁴³ *Lifeline NPRM* at para. 1 (“The purpose of the Lifeline program is to provide a hand up, not a hand out, to those low-income consumers who truly need assistance connecting to and remaining connected to telecommunications and information services.”).

⁴⁴ Alaska continues invest in new infrastructure designed to bring modern broadband internet. See, e.g., Alcatel Lucent, *Alcatel-Lucent and Quintillion Subsea Holdings to build undersea cable system connecting six communities along the North Slope of Alaska* (July 28, 2015), available at <https://www.alcatel-lucent.com/press/2015/alcatel-lucent-and-quintillion-subsea-holdings-build-undersea-cable-system-connecting-six>.

⁴⁵ *Transformation Order* at para. 208 (“Upon receipt of a reasonable request for service, carriers must deploy broadband to the requesting customer within a reasonable amount of time.”).

⁴⁶ *Lifeline NPRM* at para. 63.

⁴⁷ *Lifeline NPRM* at para. 64.

⁴⁸ *Lifeline NPRM* at para. 88 (We propose to require Lifeline providers to reimburse the Fund for part or all of the operations of the national verifier.”).

national verifier, but is concerned that the costs associated with such an entity may not make sense for small, rural carriers.⁴⁹ Many carriers use a no-cost state database for verification.⁵⁰

The ARC is mindful of the history of fraud that has plagued the Lifeline program in recent years.⁵¹ The ARC is also appreciative of efforts by the Commission to reduce the regulatory burdens felt by the rural carriers least able to afford them.⁵² However, if the cost to utilize the national verifier is greater than the Lifeline benefit received, this will create a disincentive for carriers to provide robust Lifeline service. The Commission is cognizant of the fact that some carriers will utilize a national verifier more than others.⁵³ The ARC encourages the Commission to take the needs of small, rural carriers into account when determining costs for the national verifier, as replacing labor and regulatory costs with an equal hard cost will not benefit small carriers. The ARC believes an annual per customer cap would create more predictability regarding verification.

⁴⁹ The ARC has consistently maintained that it is unfair to place the burden and liability for verification on carriers. In other consumer benefits, like the WIC program, the verification is not placed on the providing store.

⁵⁰ See, e.g., *In the Matter of Minnesota ETCs' 2013 Lifeline Recertification Results*, Docket No. P-999/M-14-20, Order, before the Minnesota Public Utilities Commission (Aug. 5, 2014) (“To minimize de-enrollments, use of the DHS database is encouraged to validate eligible subscribers and reduce the number of Lifeline subscribers needing direct contact.”).

⁵¹ *Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”) at para. 180 (“Our ongoing oversight has revealed that a substantial number of subscribers are receiving duplicative Lifeline support, which includes individuals receiving two or more Lifeline benefits from ETCs as well as two or more individuals in a household receiving benefits from multiple ETCs.”).

⁵² See *ARC USF Comments* at 16 (“It defies public policy to impose additional administrative obligations to retain necessary support at the same time the Commission is decreasing critical support of operations expenses. The burden on small, rural companies is already difficult to manage. There is simply no margin or budget for more paperwork. Further loss of high cost support may jeopardize the maintenance of existing network infrastructure.”).

⁵³ *Lifeline NPRM* at para. 88 (“Would Lifeline providers that utilize a national verifier more than other Lifeline providers be required to pay more?”).

B. Transferring Lifeline Benefits Directly to the Consumer.

The Commission seeks comment on whether the national verifier or other entity should directly transfer Lifeline benefits to the consumer.⁵⁴ The ARC is not opposed to transferring Lifeline benefits directly to the consumer in theory, but believes the benefits will be muted in areas where Lifeline benefits are most needed. In areas where there are multiple competing ETCs such a change will allow consumers the flexibility to obtain the service they desire from the carrier they prefer. However, in many rural communities, and particularly in rural Alaska, there is only a single ETC designated for the entire area. In these areas, transferring the benefit directly to the consumer will only have the impact of forcing consumers to engage the provider a second time to receive their Lifeline benefits (once to enroll, and once to receive the benefit). The ARC also remains concerned that transferring Lifeline benefits directly to the customer may introduce additional regulatory burdens and bog down the Lifeline program. The ARC believes more consideration ought to be given to the logistics of a transfer before it is adopted.

The ARC also cautions that implementing such a change may result in losing some of the efficiency that the Commission seeks to gain via the national verifier.⁵⁵ By removing these functions from the ETC, the Commission is inserting lag-times into the verification and payment procedures that did not previously exist. ETCs will have to wait to hear from the national verifier in order to determine if a consumer is eligible, wait for the consumer to receive the Lifeline voucher, and then wait to receive the voucher from the consumer. In areas where there is only a single ETC, this additional processing time will be completely unnecessary.

⁵⁴ *Lifeline NPRM* at para. 106 (“Should the Commission require a national verifier, or work with other interested Federal and state agencies, to transfer Lifeline benefits directly to the consumer in the form of a portable benefit?”).

⁵⁵ *Lifeline NPRM* at para. 104 (“Having a third-party make eligibility determinations removes this burden from Lifeline providers and should result in substantial cost savings and efficiencies.”).

C. Reducing the Number of Programs that Make a Consumer Lifeline Eligible.

The Commission asks what the potential drawbacks will be in limiting the number of programs that permit a consumer to be eligible for Lifeline benefits.⁵⁶ The Commission specifically mentions removing eligibility obtained through tribal-specific programs.⁵⁷ The ARC is concerned that the policy behind such a change ignores the reality that service to Tribal lands continues to lag significantly behind the rest of the country.⁵⁸ The ARC encourages the Commission to support programs that are intended to minimize the broadband gap on Tribal lands.

The Commission also asks whether Lifeline providers should be required to obtain photo identification from a subscriber to ensure that the customer's eligibility documentation is current and not expired.⁵⁹ The ARC does not support this proposal. The ARC acknowledges that steps must be taken to minimize fraud and abuse in the Lifeline program, but does not believe that a photo identification requirement will have any effect other than to potentially disqualify Tribal consumers who do not have the requisite photo identification. There are significant administrative problems with photo identification since Lifeline Applications can be submitted via telephone or online. Providing a photo identification in those situations would add an unnecessary burden, particularly in light of the rigorous verification procedure required in the Lifeline program.

⁵⁶ *Lifeline NPRM* at para. 113.

⁵⁷ *Lifeline NPRM* at para. 113 (For example, if we no longer permit consumers to qualify through Tribal-specific programs, what would be the impact to low-income consumers on Tribal lands?).

⁵⁸ *ARC Tribal Mobility Comments* at 4 (“The Commission has recognized that ‘infrastructure generally is less developed on Tribal lands, particularly in Alaska.’”).

⁵⁹ *Lifeline NPRM* at para. 120.

IV. Maximize Flexibility for Carriers to Offer Services Desired by the Market.

The Commission seeks comment on whether the Commission should relieve Eligible Telecommunications Carriers (“ETCs”) of the obligation to provide Lifeline supported service in specific areas where there is a sufficient number of Lifeline providers.⁶⁰ The Commission notes that in other proceedings where the Commission is considering this question, carriers have argued that the Commission should “de-link” the Lifeline obligation from ETC status.⁶¹ The ARC is generally supportive of ideas that allow carriers maximum flexibility to provide services in their service areas, but urges the Commission to be cautious when determining whether to relieve carriers of their Lifeline obligations. Small, rural carriers should not be forced to continue to provide Lifeline services if large, national carriers no longer have that obligation. Lifeline-only carriers should be relieved of filing FCC Form 481.⁶²

V. New Regulations Should Protect Consumers Without Unduly Burdening Carriers.

The Commission asks whether the Lifeline rules should be amended to treat sending text messages as sufficient usage to avoid de-enrollment from Lifeline.⁶³ The ARC agrees with the Commission that text messaging is now widespread and does not think there is a reason why a consumer should be punished for choosing to use a device in one manner (text messaging) as opposed to another (voice calling).⁶⁴

⁶⁰ *Lifeline NPRM* at para. 125.

⁶¹ *Lifeline NPRM* at para. 126 (“AT&T and others have argued that the Commission should ‘de-link’ carriers’ Lifeline obligations from their ETC status.”).

⁶² 47 U.S.C. § 254; 47 C.F.R. § 54.313.

⁶³ *Lifeline NPRM* at para. 143 (“In light of the widespread use of text messages, and as part of our continuing efforts to modernize the Lifeline program, we seek comment on amending our rules to treat the sending of text message as usage for the purpose of demonstrating usage sufficient to avoid de-enrollment from Lifeline service.”).

⁶⁴ *Id.*

The Commission also proposes that providers must make a 24-hour customer service number available for customers to call to de-enroll from Lifeline, and that providers must de-enroll customers within two business days of receiving the request.⁶⁵ The Commission also seeks comment on requiring all materials describing Lifeline service to include de-enrollment information.⁶⁶ The ARC does not oppose regulations designed to keep consumers informed. However, the Commission must use a common sense approach to this regulation. The Commission proposes that such information should be included on “all print, audio, video, and web material used to describe or enroll in the Lifeline service offering, including application and certification materials.”⁶⁷ There is minimal benefit to telling consumers how to cancel a service during the process of enrolling them in that service. Additionally, if the Commission is going to create standard enrollment and certifications forms⁶⁸ then the Commission should create those forms so that de-enrollment language is already present and carriers need only supply the relevant phone numbers. A 24-hour customer service number only for Lifeline is unsupported by the record. The existing customer service available from a carrier is sufficient to the needs of a Lifeline customer.

⁶⁵ *Lifeline NPRM* at para. 150.

⁶⁶ *Lifeline NPRM* at para. 151 (“We seek further comment on requiring Lifeline providers to publicize their 24-hour customer service number in a manner reasonably designed to reach their subscribers and indicate, on all materials describing the service that subscribers may cancel or de-enroll themselves from Lifeline services, for any reason, without having to submit any additional documents.”).

⁶⁷ *Lifeline NPRM* at para. 151.

⁶⁸ *See, infra.*, Section VI(B).

VI. Administration of Lifeline should Strive for Greater Efficiency without Losing Focus on the Lifeline Program's Goals.

The Commission proposes reforms that are designed to increase efficiency in the administration of the Lifeline program.⁶⁹ Standardizing certain forms and procedures in a realistic manner and timeframe is a valuable step. The ARC is supportive of the Commission's efforts to increase efficiency as long as such efforts do not unfairly single out consumers based solely on their location.

A. Urban Areas in Tribal lands.

The Commission notes that some Tribal lands contain urban areas that are more densely populated, such as Anchorage, Alaska.⁷⁰ The Commission seeks comment on whether it should establish a maximum population density before Lifeline support is discontinued.⁷¹ The ARC believes the Commission is focusing on only half of the rationale behind the increased Tribal benefit. As the Commission notes, the additional benefit for consumers on Tribal lands was created because of the "unavailability or unaffordability of telecommunications service on tribal lands."⁷² Instead of focusing on whether Lifeline service is still unavailable and unaffordable in certain areas, the Commission simply notes that some areas where the additionally Tribal support is given have a higher population density than others.⁷³ The ARC does not support switching to a

⁶⁹ *Lifeline NPRM* at para. 156 ("In this section of the FNPRM, we seek comment on a number of reforms to increase the efficient administration of the program.").

⁷⁰ *Lifeline NPRM* at para. 170.

⁷¹ *Lifeline NPRM* at para. 170 ("If we adopted an approach that focused Tribal support on less densely populated areas, what level of density would be sufficient to justify the continued receipt of enhanced Tribal lands support? What level of geographic granularity should we examine to apply any population density-based test?").

⁷² *Lifeline NPRM* at para. 169.

⁷³ *Lifeline NPRM* at para. 170 ("Certain Tribal lands have within their boundaries more densely populated locations, such as Tulsa, Oklahoma, which is eligible for enhanced Tribal Lifeline support as it is within a former reservation in Oklahoma, but nonetheless has a comparatively high population density compared to many other Tribal lands.").

metric that is based solely on population density. Consumers on Tribal lands already face a gap in service and inherent cultural disadvantages, and the Commission should not reduce the benefits they receive simply because they live in a more populated area. If the Commission insists on further investigating this proposal, it must develop a fuller record that shows Tribal consumers in higher density areas have greater availability and affordability of service. The ARC believes singling out more populated areas sets a dangerous precedent that will ultimately harm service on Tribal lands.

B. Creation of Uniform ETC forms.

The Commission proposes that it should create uniform official certification forms to be used by all ETCs, states and consumers.⁷⁴ The ARC supports this proposal. Newly certified ETCs spend valuable time and energy creating enrollment and certifications forms and procedures. Having a uniform set of forms would allow these carriers to focus their efforts in places that are of greater benefit to consumers. The Commission should preserve maximum flexibility for existing Lifeline carriers and not impose new standards that will hamper existing service. Sufficient transition time is critical to the introduction of new forms.

VII. Conclusion.

The ARC appreciates the Commission's attempts to streamline the ETC and Lifeline processes that should help small, rural carriers who are struggling under their existing regulatory burdens. However, the Commission must be sure to balance increased efficiency against charging small carriers for services. While small, rural providers would likely appreciate ceding some responsibility for certification or creating forms to a third party, if the costs to take advantages of those services are prohibitive to the smallest carriers then the benefits are lost. The

⁷⁴ *Lifeline NPRM* at para. 205 ("To increase compliance with the rules, facilitate administration of the program and to reduce burdens placed upon ETCs, we propose creating an official, standardized initial certification form, annual recertification form and 'one-per household' worksheet.").

ARC urges the Commission to keep such carriers in mind as it continues to refine and improve the Lifeline program.

Respectfully submitted on this 31st day, August, 2015.

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